

Jackson Parish Communication District
Jackson Parish, Louisiana

**Annual Financial Statements
and Accountant's Compilation Report**

**As of and For the Year Ended
December 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAY 23 2012**

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Jackson Parish Communication District
Jackson Parish, Louisiana
Annual Financial Statements
As of and For the Year Ended December 31, 2011

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ACCOUNTANT'S COMPILATION REPORT

Mr. David Sanders, Chairman
and Members of the Board of Commissioners
Jackson Parish Communication District
Jonesboro, LA

We have compiled the combined balance sheet and statement of revenues, expenditures, and changes in fund balance-budget vs. actual of Jackson Parish Communication District as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of Jackson Parish Communication District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of Jackson Parish Communication District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The Jackson Parish Communication District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2011. The effects of this departure from generally accepted accounting principles has not been determined.

Kenneth D. Folden & Co., CPAs

Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana
May 17, 2012

Jackson Parish Communication District
Jackson Parish, Louisiana

All Fund Types and Account Groups
Combined Balance Sheet
As of December 31, 2011

Governmental Fund	Account Group	
General Fund	General Fixed Assets	Total (Memorandum Only)

ASSETS:

Current Assets

Cash & Cash Equivalents	\$ 440,167	\$ -	\$ 440,167
Accounts Receivable	16,549	-	16,549
Total Current Assets	<u>456,716</u>	<u>-</u>	<u>456,716</u>

Non-Current Assets

Capital Assets	-	153,593	153,593
Total Assets	<u>\$ 456,716</u>	<u>\$ 153,593</u>	<u>\$ 610,309</u>

LIABILITIES:

Current Liabilities

Accounts Payable	\$ 1,069	\$ -	\$ 1,069
Total Liabilities	<u>1,069</u>	<u>-</u>	<u>1,069</u>

FUND BALANCE:

Invested in Capital Assets	-	153,593	153,593
Unassigned	455,647	-	455,647
Total Fund Balance	<u>\$ 455,647</u>	<u>\$ 153,593</u>	<u>\$ 609,240</u>

Jackson Parish Communication District
Jackson Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget vs. Actual
For the Year Ended December 31, 2011

	Budget (Original)	Budget (Amended)	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Telephone surcharges - landline	\$ 55,000	\$ 55,000	\$ 56,561	\$ 1,561
Telephone surcharges - wireless	95,000	103,000	112,213	9,213
Interest	4,000	4,500	4,668	168
Miscellaneous income	200	100	100	-
Total Revenues	<u>154,200</u>	<u>162,600</u>	<u>173,542</u>	<u>10,942</u>
EXPENDITURES:				
Advertising	200	400	286	114
Administration & travel	6,264	6,264	6,264	-
Contract Services	24,000	35,000	33,003	1,997
Dues & subscriptions	-	200	130	70
Equipment rental	28,000	30,000	29,151	849
House signs expense	-	3,000	279	2,721
Insurance & bonding	-	1,000	750	250
Legal & accounting	-	3,250	3,250	-
Mapping & phase one expenses	500	21,000	14,579	6,421
Office supplies	700	3,000	2,841	159
Rent - office	1,800	300	300	-
Repair & maintenance	50,000	7,000	6,124	877
Salaries & related payroll taxes	19,844	17,844	17,790	54
Telephone	3,000	5,200	4,917	283
Utilities	-	700	470	230
Miscellaneous expense	5,000	1,000	-	1,000
Capital Outlay	-	7,400	7,400	-
Total Expenditures	<u>139,308</u>	<u>142,558</u>	<u>127,532</u>	<u>15,026</u>
Excess of Revenues (Expenditures)	14,892	20,042	46,009	25,967
FUND BALANCE - December 31, 2010	409,638	409,638	409,638	-
FUND BALANCE - December 31, 2011	<u>\$ 424,530</u>	<u>\$ 429,680</u>	<u>\$ 455,647</u>	<u>\$ 25,967</u>

See Accountant's Compilation Report

Jackson Parish Communication District
Notes to the Financial Statements
As of and For the Year Ended December 31, 2011

INTRODUCTION

The Jackson Parish Communication District (District) was established in April 1990 by the Jackson Parish Police Jury, as provided by Louisiana Revised Statutes 33:9101 to 33:9106. The District was created for the establishment and operation of a parishwide enhanced Emergency 911 System. The District is governed by a Board of Commissioners, which has seven appointed members. Commissioners are residents of the District and consist of the Jackson Parish Sheriff, Jackson Parish Hospital Administrator, Jonesboro Police Chief, Jonesboro Fire Chief, and three at-large appointments. All appointments serve terms of four years. The members of the Board of Commissioners do not receive compensation.

On October 6, 1990, the voters of Jackson Parish passed a proposition for the collection of a telephone surcharge to provide funding for the operation of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above, the Jackson Parish Communication District is deemed to be a separate governmental reporting entity. The Jackson Parish Communication District has no component units.

Considered in the determination of component units of the reporting entity were the Jackson Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the Second Judicial District. It was determined that these governmental entities are not component units of the Jackson Parish Communication District reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Jackson Parish Communication District.

C. FUND ACCOUNTING

The District uses a fund and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

The one fund of the District is classified as the following category: governmental. This category contains one fund type. A description of this fund classification and the fund type follows:

Governmental Funds

Governmental funds account for all of the District's general activities, including the collection and disbursement of specific or legally restricted monies, and acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

General Fund - the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds. The District does not receive any funds requiring accountancy in other funds.

D. BASIS OF ACCOUNTING

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues.

Monthly telephone surcharges are collected by the various telephone companies operating within the parish. These companies then remit the surcharges less a one-percent administrative fee to the District the following month. Amounts collected by the telephone companies for December and remitted within 60 days are recognized as receivable.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due. The District has no long-term debt at December 31, 2011.

E. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are adopted and are made available for public inspection. The Board of Commissioners must meet and approve all budget changes or amendments. At year end, all appropriations lapse. Budget amounts are as amended.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is not employed by the District.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash and cash equivalents of the District include an interest-bearing demand deposit account.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. The District has no investments at December 31, 2011.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation is provided on general fixed assets. All fixed assets are valued at historical cost.

I. COMPENSATED ABSENCES

There are no accumulated and vested benefits relating to vacation and sick leave as the District has no full-time employees.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. The District has no long-term obligations.

K. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation as non-spendable. Restricted fund balances are legally restricted by outside parties, purposes stipulated by constitution, or through enabling legislation for use for a specific purpose. Committed fund balances include amounts that can only be used for a specific purpose determined by a formal action of the government's highest level of decision-making authority. Assigned fund balances are intended to be used by the District for a specific purpose but do not meet the criteria for restricted or committed classification. Unassigned fund balances are the residual classification for the District's General Fund and include all spendable amounts not designated as restricted, committed, or assigned.

At December 31, 2011, the District's fund balance was unassigned.

L. TOTAL COLUMNS OF COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At December 31, 2011, the District has cash and cash equivalents (book balances) totaling \$440,167, as follows:

Interest-bearing demand deposits \$ 440,167

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2011, the District has in deposits \$441,755 (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$226,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Jackson Parish Communication District that the fiscal agent has failed to pay deposited funds upon demand.

3. FIXED ASSETS

The changes in general fixed assets follow:

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Furniture and equipment	\$ 165,825	\$ 7,400	\$ (19,632)	\$ 153,593
Total	\$ 165,825	\$ 7,400	\$ (19,632)	\$ 153,593

4. PENSION PLANS

The District contributes to the Social Security System for its part-time employee. The District does not participate in any other pension or retirement plans.

5. WIRELESS SURCHARGES

Louisiana Revised Statute 33:9109 authorizes the governing authority of a communication district to levy an emergency telephone surcharge on certain wireless communication systems to pay the costs of implementing FCC ordered enhancements to E911 systems. On July 26, 2000, the Jackson Parish Communication District adopted a resolution requiring each wireless telephone company in Jackson Parish to begin collecting a surcharge on each wireless telephone in Jackson Parish. Implementation of the service is complete for the wireless companies who have responded.

During the year ended December 31, 2011, the District received \$112,213 of revenues derived from the emergency telephone surcharge on wireless communication systems. The funds received will be used for maintaining the wireless E911 systems.

6. LITIGATION AND CLAIM

Management has informed us that the District is not involved in any litigation at December 31, 2011.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 17, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. David Sanders, Chairman
and Members of the Board of Commissioners
Jackson Parish Communication District
Jonesboro, LA

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Jackson Parish Communication District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Jackson Parish Communication District's compliance with certain laws and regulations during the year ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$30,000. There were no expenditures made for public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required name of their sole part-time employee.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The name of the sole part-time employee (Director) provided by management in procedure (3) did not appear on the listing provided by management in procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with copies of the original budget for the year ended December 31, 2011. The budget was amended during the year, and the amended budget was provided by management.

6. Trace the budgets adoption and amendments to the minute book.

We traced the adoption of the original budget, for the year ended December 31, 2011, to the minutes of a meeting held on November 17, 2010, which indicated that the budget had been approved by all of the commissioners. The budget was amended on November 16, 2011; the minutes indicated that all commissioners approved the amendment.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budgets to actual revenues and expenditures. Actual revenues were more than budgeted revenues, and actual expenditures were less than budgeted expenses.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

The six selected disbursements were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

The six selected disbursements were traced to the District's minute book where they were approved by the commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Jackson Parish Communication District posts a notice of each meeting and the accompanying agenda on the door of the building where meetings are held. Additionally, the meeting dates are advertised in the local newspaper. Management has informed us that these documents were properly posted and the meetings were advertised.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to the employee which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

Our report dated December 31, 2010, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Jackson Parish Communication District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kenneth D. Folden & Co., CPAs

Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana
May 17, 2012

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

Kenneth D. Folden & Co., CPAS
302 Eighth Street
Jonesboro, Louisiana 71251

In connection with your review of our financial statements as of December 31, 2011 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of March 12, 2012 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

Alan R. McBride Director March 12, 2012 Date